## BEFORE THE SECURITIES COMMISSIONER

## STATE OF COLORADO

Order No. 13-4-24



## STIPULATION FOR CONSENT ORDER

IN THE MATTER OF SANDLAPPER SECURITIES, LLC.

## Respondent

CRD # 137906

The staff of the Colorado Division of Securities ("Staff") and Respondent Sandlapper Securities, LLC ("Sandlapper" or "Respondent") hereby enter into this Stipulation for Consent Order as follows:

- 1. Sandlapper is licensed with the Colorado Division of Securities as a broker-dealer in Colorado.
- 2. The Staff has conducted an examination and review of Sandlapper and its business activities in Colorado pursuant to the authority provided in §§ 11-51-409, C.R.S.
- 3. Pursuant to, and based upon the Staff's examination and review of information, materials, and representations provided by Sandlapper, the Staff alleges as follows:
  - a. On November 29, 2011, the Securities Commissioner issued an Order of Effectiveness of License for John L. Tyler, Jr., as a securities sales representative with Respondent Sandlapper Securities, LLC, with conditions and limitations as set forth by Order Number 12-L-20, ("Order").
  - b. Respondent failed to comply with two of the provisions of the Order. Specifically, paragraph 2(d) of the Order requires Sandlapper to notify the Commissioner when Mr. Gordon no longer supervised Mr. Tyler, and submit for approval by the Commissioner a new person to supervise Mr. Tyler. Sandlapper failed to either notify or request approval of the Commissioner when Mr. Gordon was replaced as Mr. Tyler's supervisor.
  - c. In addition, according to paragraph 2(k) of the Order, Respondent was required to conduct two unannounced audits of Mr. Tyler's place of business, and provide those reports to the Commissioner. Respondent failed to conduct any unannounced audits.
- 4. Based upon this information, Staff asserts that Respondent failed to comply with these provisions of the Order, as set forth above, in violation of §11-51-410(1)(b), C.R.S., and therefore Respondent's licenses as a broker-dealer license in Colorado subject to sanctions pursuant to §11-51-410(1), C.R.S.

5. Sandlapper has cooperated with Staff by responding to inquiries, providing documentary evidence and other materials, and providing Staff with access to facts relating to the examination.

The Staff and Respondent desire to resolve this matter without resorting to hearing, and hereby stipulate and agree as follows:

- 1. The Securities Commissioner for the State of Colorado has jurisdiction over Respondent and the subject matter of this action.
- 2. Respondent agrees to entry of the Consent Order in the form attached hereto and incorporated herein by reference.
- 3. By entering into this Stipulation, Respondent neither admits nor denies that any of the allegations or grounds set forth in this Stipulation are true.
- 4. Respondent understands that it has the right to have a formal hearing pursuant to § 11-51-606(1), C.R.S., §§ 24-4-104 and 105, C.R.S., concerning the allegations against the firm; the right to be represented by counsel chosen and retained by Respondent; the right to present a defense through oral or documentary evidence, and to cross-examine witnesses at such hearing. By entering into this Stipulation, Respondent expressly waives the rights set forth in this Paragraph 4, and further waives the right to seek judicial review of the Consent Order entered pursuant to this Stipulation.
- 5. Respondent further acknowledges that any violation of the Consent Order when issued may constitute grounds for further sanctions against it.
- 6. Respondent acknowledges that they have entered into this Stipulation voluntarily, after the opportunity to consult with counsel, and with the understanding of the legal consequences of this Stipulation and Consent Order.

| DATE:         | By: Trevor Lee Gordon                            |
|---------------|--|
| DATE: 6/11/13 | By:  Gerald Rome  Deputy Securities Commissioner |